

# 2003/2004

## Recycling Market Development & Expansion Grant Program Application (Revised 1/16/03)



The Department of Conservation (Department) is authorized to expend up to **\$10,000,000** annually for beverage container recycling market development and expansion-related activities. Specifically, this grant application is for the 2003/2004 fiscal year. Organizations that are interested in applying for a recycling market development and expansion grant must submit applications to the Department **by February 13, 2004, 5:00 PM**, in order to be considered for grant funding.

### 1. Background of Grant Program

Through the Division of Recycling, the Department administers the California Beverage Container Recycling and Litter Reduction Act (Act). This Act governs the recycling of California Redemption Value (CRV) beverage containers. The goal of the Act is to achieve an 80 percent beverage container recycling rate in California.

California's overall, or all material, CRV beverage container recycling rate was only 58 percent for calendar year 2002. This recycling rate has generally declined over the last eight years. The number of beverage containers collected for recycling in California has not kept pace with the growth in sales of beverages. Also, the decline in California's overall CRV beverage container recycling rates has been, in part, due to additional beverages included in the beverage container recycling program since January 1, 2000.

Assembly Bill 28 became effective January 1, 2004, and has numerous provisions that add, repeal, and amend many aspects of the Act. A small, but important, portion of this new law applies to grants for market development and expansion-related activities.

AB 28 added Public Resources Code (PRC) Section 14581 (a) (10) which authorizes the Department to expend up to \$10 million annually for beverage container recycling market development and expansion-related activities until January 1, 2007.

The Department reserves the option to award up to \$10 million in grants from this 2003/2004 grant program application for the first program funding year (ending June 30, 2004). The Department also reserves the option to award up to another \$10 million in grants for the second program funding year, beginning July 1, 2004 (and ending June 30, 2005), based on this same 2003/2004 grant program application.

### 2. Objective and Goals of Grant Program

The overarching objective of this market development and expansion grant program is to increase recycling of CRV beverage containers. Increased recycling includes both short-term, and long-term, increases in beverage container recycling, and recycling rates. Recycling rates under this grant program can be increased through (1) creating new market opportunities for recycled beverage container products, and (2) expanding existing market-related activities for recycled beverage container products. This latter category includes a broad range of recycling industry activities.

Market-related activities can include a wide array of economic chain, and vertical/horizontal recycling industry integration activities - from the consumer, to the recycler, to the processor, and to the recycled material end-user. Market-related activities can include beverage container, and beverage container material, manufacturing activities, and beverage container product manufacturing activities. Market-related activities can include relevant beverage container recycling value-added activities of government, trade associations, environmental groups, community organizations, and consumer product entities.

Increasing the recycling rate for beverage containers can be obtained through (1) the expansion of existing, and developing new, end-uses (demand side), and (2) increasing the supply of high quality beverage container material feedstock for use in manufacturing (supply side). Market-related activities can include material processing and; research, development, and demonstration projects.

Some goals of the market development and expansion grant program include the following:

1. To expand, develop, and maintain CRV material markets in California by encouraging the availability, and use, of value-added recycled beverage container materials, resulting in an increase in both demand, and supply, for these materials.

2. To identify, and realize, market development and expansion opportunities so as to ensure sustainable recycled beverage container material markets.
3. To encourage new, and existing, businesses to develop and utilize innovative processing and manufacturing technologies, facilitating the processing of recycled beverage container material into quality feedstock for use in the manufacture of recycled-content products.
4. To encourage, and support, market development and expansion for empty beverage container materials by providing information and assistance in areas including, but not limited to:
  - Recycling and manufacturing technology development.
  - Support for existing, new, and proposed recycled product manufacturers.
  - Converting from virgin to recycled feedstock.
  - Development of “best practices” in collection and processing that result in higher quality materials.
  - “Model practices” that address barriers to the purchase of recycled-content products and improve procurement specifications and market leverage for “buy recycled”.
5. To support research and development projects bringing more high quality feedstock, and recycled content products, to the marketplace, and additional processing and manufacturing industries and/or technologies, which would ultimately result in new California jobs creation.

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This is a new, and major, grant program for the market development and expansion of CRV beverage container recycling. This is also a unique and important grant program, and the Department has the fiduciary responsibility to effectively and efficiently award grant monies so as to have a significant and measurable impact on California’s overall CRV recycling rate.

The Department seeks innovative, but realistic, grants that have the potential to materially increase, and sustain, the State’s recycling rates, so that in the future, the State can again achieve its overall 80 percent recycling rate goal. The Act’s highest overall recycling rate was 82 percent, over ten years ago in 1992. The Department is also interested in new jobs creation associated with, and resulting from, the positive impact on CRV beverage container recycling rates.

These grant projects must be designed so as to have, first and foremost, benefits for the State’s recycling program. A grant program of this magnitude and focus is exceptional for California, and rare for other states. The Department is not interested in using this grant

program as just a source of venture capital for the economic, or competitive, benefit of the State’s small and large businesses.

### **3. Eligibility to Apply for Grants**

#### **Applicant Eligibility**

Any private business; non-profit organization; city, county, city and county; joint powers authority; university; tribe; and state or federal government entity is eligible to apply for beverage container recycling market development and expansion grants. Organizations may submit separate grant applications for more than one project in a given funding period.

Applicants must provide an appropriate letter of organization commitment, resolution, or letter of board support that indicates that the applicant is fully committed to the grant application. Grant applicants must be in compliance with all local, state, and federal laws and regulations.

Applicants are subject to state and federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, can result in the grant application being rejected, and any subsequent agreement being declared void.

Before submitting an application, applicants are urged to consider conflict of interest concerns, and requirements for disclosure. Applicable statutes include, but are not limited to, Government Code Section 1090 (concerning financial interest and contracts made by members of the Legislature, county boards, city officers, and employees in their official capacity) and Public Contract Code Sections 10410 and 10411 (concerning hiring of current, and former, State employees, respectively).

Applicants must disclose whether they are providing consulting services to the State under a State contract (or as a sub-contractor providing more than ten percent of the dollar value of a consulting services contract with the State), or have provided such services within five years prior to the release of this grant solicitation, which are related in any manner to the goods, services, or supplies, to be acquired pursuant to this grant solicitation document.

#### **Project Eligibility**

Grant projects need to ultimately increase CRV beverage container recycling. Eligible grant projects may fall into one, or more, of the following four broad project categories:

- A. Research and development of collecting, sorting, processing, cleaning, or otherwise upgrading the market value of recycled beverage containers.
- B. Identification, development, and expansion of markets for recycled beverage containers.
- C. Research and development for products manufactured using recycled beverage containers.
- D. Payments to California manufacturers who recycle beverage containers that are marked by resin type identification codes, "3," "4," "5," "6," or "7," pursuant to Section 18015 (concerning definition of the resin codes).

The following key factors should be considered by grant applicants:

- Grant matching funds  
Matching funds are not required by grant applicants, however, greater priority will be given to grant projects that have higher levels of matching funds, everything else held equal. In addition, grant projects that may have other benefits beyond increasing California beverage container recycling (such as enhanced private enterprise profitability, or increased recycling of non-beverage containers in California), should have a relatively higher proportion of matching funds, or at least have some matching funds, in relation to the non-beverage container recycling benefits of the specific grant application. Finally, larger size grant applications should have a relatively higher proportion of matching funds, to help spread the risk of this larger project undertaking. Matching funds are defined as the grantee's own resources (either dollars or assets). Matching funds do not include other grant program resources (such as other Department grant programs, and other non-Department grant programs), or the Department's loan guarantee program for capital expenditures for new recycling infrastructure.
- Size of grants  
There are no dollar limitations on the size of grant projects (up to the annual overall funding limitations of the program). Larger dollar size grant projects will be expected to have proportional beverage container recycling benefits. All grant applications should have a significant short- or long-term impact on either regional, or state-wide, recycling levels.
- Use of grant funds  
Real property purchases for land are not eligible for grant funding. Grant funds can be used for expenditures for start-up costs and working capital; operating costs; and generally those activities directly related to achieving grant operating objectives. Grant funds can be used for personnel costs, equipment costs, buildings and facilities, supplies, rent and utilities, travel, contractual services, other operating costs, and other (explained) non-operating costs.
- Types of grant projects  
There is a wide range of potential grant projects potentially eligible under this program. Priority will be given to those grant projects that directly impact recycling of CRV beverage containers, and also create California jobs, in both the short- and long-run. Also a priority are those grant projects that will have a near-term economic impact on either increasing the price of relevant CRV beverage container recycled materials, or decreasing the cost of recycling CRV beverage containers.
- Length of grant projects  
Grant projects must be completed within three (3) years from the date of the grant award (expected June 1, 2004). Grant projects must be at least six months duration in effort. For grant projects that will exceed three years in length, applicants may submit a second phase grant application in subsequent years, for further funding consideration.
- Collection grant projects  
The Department administers another grant program that focuses on diverting and collecting additional beverage containers, including providing collection bins. The focus of this market development and expansion grant program is on processing and manufacturing functions, versus additional current-practice collection. Research and development of collecting, though, is part of this grant program scope, and certain broad collection functions, such as technology improvements at material resource recovery facilities or new technologies for curbside collection, could be considered under this grant program. The core criteria for a collection project to be considered under this grant program is whether it will impact the State's overall recycling rate. Grant projects for just additional physical collection (versus processing) of beverage containers, are not a priority of this market development and expansion grant program.
- Grants for recycling of different CRV beverage container material types  
Eligible grant applications can include projects that impact recycling of any one, any combination, or all, of the ten CRV beverage container material types in the program (i.e., aluminum, glass, bi-metal, and plastics # 1 to # 7). There is no grant program priority for increasing recycling of one program material type over any other program material type. The Department is interested in increasing the State's overall CRV beverage container recycling rate.
- California in-state, versus out-of-state, grant benefits  
The overriding goal of this grant program is to increase CRV beverage container recycling rates. Along with increasing recycling rates, the

Department is interested in creating and sustaining new jobs, which should result part and parcel with creation of new, or expanded, recycling opportunities. Some grant applications may have California recycling benefits, but out-of-state job benefits. Highest priority will be given to grant applications that both (1) increase CRV beverage container recycling rates and (2) create and sustain new California jobs.

#### **4. Grant Application Requirements**

This section describes the grant application requirements. Applicants should provide the information described below, and in the specified format. In preparing these sections, the applicant is encouraged to closely review the Grant Evaluation and Scoring Criteria, described in the next section of this grant solicitation package, so as to meet the full intent of the grant application requirements. The four required sections of the grant application are:

- A. Administrative Requirements
- B. Applicant Qualifications
- C. Project Qualifications
- D. Attachments

If necessary, the applicant may provide supporting technical, and/or confidential information, in an additional Section E, Supporting Materials.

##### **Section A. Administrative Requirements**

- Provide an original and six (6) copies of the grant application. All applications should be received by 5:00 PM, on February 13, 2004.
- The application must be formatted in at least a 10-point font size, use double-sided pages, be printed on recycled content paper, and be prepared in the least expensive method (i.e., no special bindings or cover stock, with the preferred method of binding being stapled in the upper left hand corner, if possible). Do not exceed the page limitations identified below for each application section. The application sections should be in the following order:
  - 1. Administrative Requirements
  - 2. Applicant Qualifications
  - 3. Project Qualifications
  - 4. Attachments
  - 5. Supporting Materials (should be bound separately from the other sections)

This administrative requirements section should include the following:

1. A signed cover letter. The cover letter should introduce both the applicant and the project and be signed by a person authorized to bind the organization to the grant agreement. For organizations that are not required to submit a resolution (Item 2, below), the cover letter should state the organization's support for the project and the organization's commitment to matching funds or in-kind services. The cover letter should also address real, potential, or perceived conflicts of interest, and if there are none, this should be stated in the cover letter.
2. A resolution of support, from the applicant's governing body, for government agencies and non-profits. If the project includes matching funds or in-kind services, the letter/resolution should commit to providing those funds or services.
3. A copy of tax-exempt status, for non-profit organizations only.
4. A copy of articles of incorporation, partnership agreement, or current fictitious business name statement and business license, as appropriate, for private businesses only.

##### **Section B. Applicant Qualifications**

This section should include the following two subsections:

1. Qualifications of the Applicant
  2. Financial Statements of the Applicant
- Qualifications of the Applicant  
This subsection should not exceed eight (8) pages (excluding resumes or statements of qualifications).
    - ❑ Describe the longevity, history, and structure of the applicant organization, including basic organizational functions. Describe how the project fits within the existing structure and functions of the organization.
    - ❑ Describe the applicant organization's knowledge and experience as it relates to the grant project. Identify, and briefly describe, previous or current applicant projects that are related to the grant project.
    - ❑ Describe the applicant's capacity directly as it relates to the successful completion of this grant project. Describe the organizational and staff level of commitment (both time and resources) to this project.

- ❑ Identify key personnel who will design, advise, and undertake the work. Include paid staff, consultants, and unpaid collaborators. Briefly describe personnel experience, qualifications, and roles in the project. Identify the amount of each person's time allotted to the project. Provide a resume, or statement of qualifications, for each of the key project personnel, not to exceed one page each.

■ Financial Statements of the Applicant

- ❑ Provide the applicant's financial statements for the previous three years (calendar or fiscal). Provide the most accurate level of financial information that is available (in order of preference): audited financial statements, reviewed financial statements, federal income tax returns, or compiled financial statements. Government entities should provide the last three years' budgets for the smallest unit within the government organization that is responsible for the grant project. If three years of financial information are not available, provide an explanation as to why, and demonstrate that the applicant has the financial capability to conduct the project.

**Section C. Project Qualifications**

This section should be divided into three subsections, as follows. The applicant must demonstrate the need for the project; the technical, economic, and market feasibility of the project; and how the applicant will implement the project. This section should not exceed fifteen (15) pages in length.

1. Project Need
2. Technical, Economic, and Market Feasibility
3. Project Work Plan

■ Project Need

This subsection should describe the need for the grant project:

- ❑ Clearly describe the reason for undertaking the grant project.
- ❑ Identify barriers and obstacles that should be addressed for this grant project.
- ❑ Demonstrate an understanding of the baseline conditions the grant project seeks to improve.
- ❑ Identify project goals and measurable project objectives. Relate the goals and objectives of the grant project to the overall objectives of this State grant program. Applicants must identify expected benefits of increasing beverage container recycling and recycling rates, as compared to expected benefits in competitive

advantage to the applicant, as a result of the grant project.

- ❑ Identify who in the recycling industry supports this grant project, and if any third parties are providing supporting funds to this grant project.
- ❑ Identify both short- and long-term economic impacts and provide data on the number of full-time or part-time jobs to be created, duration of the jobs, and expected created payrolls, by year of the project.
- ❑ Identify the expected benefits of the grant project. This should include the expected impact on the number of beverage containers recycled or beverage container recycling rates. Additional benefits may relate to decreased costs of recycling; increased prices for recycled materials; improved markets for recycled materials; additional beverage container material volume used in the manufacture of a recycled content product; jobs creation; processing or production cost decreases; and/or other economic benefits.
- ❑ Identify and explain any expected benefits that are outside the scope of this grant program (i.e. direct economic benefits to private entities; increases in jobs or recycling outside California; and increases in recycling or markets of non-CRV materials).
- ❑ Explain how this grant project is unique and innovative in its approach to increasing beverage container recycling in California.

■ Technical, Economic, and Market Feasibility

This subsection should provide information that describes and supports the technical approach and concepts embodied in the application, as well as an assessment of the market and economic impacts of the project:

- ❑ For research and development projects (1) identify the scientific basis for the project, (2) include a review of current literature, (3) provide a description of, and support for, the research methodology, and (4) discuss commercialization potential.
- ❑ Provide a brief description of the current and future markets for the material(s) the project addresses, and an assessment of the short- and long-term impact of the project on those markets. Address market parameters such as quantity, quality, prices, and end-uses.
- ❑ For manufacturing end-uses, identify the technologies to be used, quantity of recycled material, and an assessment of the potential markets for the proposed product(s).

- ❑ Identify how, and to what extent, the project will impact each step in the recycling stream (collection, processing, and manufacturing).
- ❑ Describe sustainability of the grant project, including the level of commitment, effort, and resources from the applicant, or others, that will enable the project to continue beyond the grant period.
- ❑ Identify how the expected economic impacts of the project in terms of jobs created, business potential, price of recycled material, and relevant production and processing costs will be realized.

▪ Project Work Plan

This subsection should provide an explanation of how the applicant will complete the grant project:

- ❑ Identify each of the specific tasks necessary to complete the grant project. Identify sub-tasks, as appropriate. For each task describe the work to be completed, who will conduct the work, the expected outcome, and project milestones resulting from that task.
- ❑ Identify performance measures for the project. Include mid-project performance measures, as well as final performance measures. Describe the data to be analyzed to measure the effectiveness of the work performed and the results achieved. Describe the methodology to be used to collect the data.
- ❑ Identify a reporting framework for the project results, including (1) reporting of grant project accomplishments, (2) identifying information that will be provided in the monthly project progress reports, and (3) providing an outline of the final reporting framework. The reporting framework should include the estimated impacts (described in Attachment D), as well as other performance metrics appropriate to the project (cost of recycling, new business development, payroll expansion, processing time, etc.).

**Section D. Attachments**

Include the completed attachments A through G in this section of the application. Directions for completing each attachment are provided below. All attachments must be included in the application.

▪ Attachment A – Grant Applicant/Project Summary

- ❑ Complete all sections of this form. For any “yes” answers to the financial/legal or grant history questions, explain the answers on additional sheets of paper and include them in the application following Attachment A. Attachment

A must be signed by a person authorized to bind the applicant to the grant agreement.

▪ Attachment B – Grant Executive Summary

- ❑ On the form provided, provide a descriptive summary of the project. Address key points as they relate to the need for the project; technical, economic, and market feasibility; and the project outcomes. Use at least a 10-point font size.

▪ Attachment C – Grant Project Budget

- ❑ Complete the project budget form, or create a form, using the same format as Attachment C.
- ❑ Identify costs for each year of the project. If the project is less than three years, indicate “N/A.”
- ❑ For each year of the project, identify the requested grant funds and the matching funds (or value of in-kind services). On a separate Budget Explanation Page (create this page and include it in the application following Attachment C), identify the source(s) of all matching funds and in-kind services, and any third-party funds supporting the grant project.
- ❑ List each key person involved in the project and the total combined salary and benefits for each year of the project. It is not necessary to identify administrative staff by name.
- ❑ List, by category, all equipment that will be purchased as part of the project. Provide any additional explanation or support for equipment purchases on the Budget Explanation Page.
- ❑ On the Budget Explanation Page, explain line items for buildings and facilities, contractual services, other operating costs, and other non-operating costs.

▪ Attachment D – Grant Project Estimated Impacts

- ❑ This form will be used to help score the expected benefits of the grant project, outlined in Section C, Project Qualifications, Grant Project Need. These estimates will be used as a scoring tool to assist the Department in evaluating grant proposals. The Department understands that calculating recycling impacts and jobs impacts, particularly for long-term research and development projects, will require order-of-magnitude estimates and projections on the part of the applicant. The applicant should include an explanation of the assumptions and forecasts used to calculate the recycling impacts and jobs impact. The estimated impacts must be reasonable (within an order-of-magnitude) and clearly explained and justified on Attachment D. The scoring of the estimated impacts will be based not only on the magnitude

of the final estimates but also on the reasonableness of the assumptions the estimates are based upon.

- ❑ In Item A, of Attachment D, identify the total grant request (do not include matching funds).
  - ❑ In Item B, provide an estimate of the annual number of beverage containers recycled each year as a result of the grant project. This figure should be the applicant's best estimate of the recycling impact, on an annual basis, once full project impacts are realized. For example, if the first year expected impact is only 5,000 containers, but by year three and after, the expected impact is 20,000 containers, use the latter figure. The Department realizes that for many projects it will be difficult to identify an accurate estimate of the additional number of containers recycled each year. However, the overall goal of this grant program is to increase beverage container recycling in California. Thus, it is important that each applicant is able to relate the impacts of their project to this ultimate State goal; even if the figures are projections that may only be accurate on an order-of-magnitude basis. If the project indirectly impacts recycling, for example an end-use project that is projected to use 2 million PET containers a year, the applicant must provide a reasonable estimate of the actual impact on additional containers recycled as a result of the new market for those containers provided by the project.
  - ❑ In item C, provide an estimate of the annual number of new jobs created in California as a result of this grant project. This figure should be the applicant's best estimate of the number of new California jobs, on an annual basis, once full project impacts are realized. The number of jobs should be based on full-time equivalents.
  - ❑ In item D, calculate the recycling impact, "A" divided by "B".
  - ❑ In item E, calculate the jobs impact, "A" divided by "C".
  - ❑ In item F, identify the first calendar year that the recycling and jobs impacts in B and C are expected to be fully realized.
  - ❑ In Item G, identify the number of years that the recycling and jobs impacts will continue. For some grant projects, the recycling and jobs impacts may only be realized during the time of the grant subsidy, for other projects, the impacts may be ongoing beyond the terms of the grant. Again, provide the best possible estimate for this item.
  - ❑ In Item H, use the space provided to explain the assumptions, projections, and extrapolations used to develop the estimate of beverage containers recycled in Item B and the estimates of new jobs in Item C. What is the applicant's level of confidence in the accuracy of these numbers? What are the factors that could influence these estimates upwards or downwards?
- Attachment E – Grant Project Schedule
    - ❑ Use the form provided or create a form following a similar format. The schedule must list each of the project tasks from the project work plan and illustrate the duration of each task. The grant project schedule should also identify project milestones and the dates they will be attained. The applicant may also include the dates that they expect to submit to the Department any special reporting or performance measures identified in the work plan. The expected project start date is June 1, 2004. Projects must be at least six (6) months in duration, and may not exceed three years (36 months) duration.
  - Attachment F – Grant Permits and Regulatory Approvals
    - ❑ Use this form to list all permits and/or regulatory approvals that are necessary in order to undertake the grant project. If the permits or approvals have already been attained, identify the date (and duration if appropriate). The applicant must also identify the issuing authority. If the permits or approvals have not yet been attained, identify (as accurately as possible) the date the applicant expects to obtain each permit or approval. Either Item A, or Item B, at the bottom of Attachment F, must be signed by the individual authorized to bind the organization to a grant agreement. Sign Item B only if the grant project does not require any permits or regulatory approvals.
  - Attachment G – Grant Applicant References
    - ❑ Use this form, or create a form using a similar format, to provide the name, address, telephone number, contact person, and a brief description of the relationship for three separate references. The applicant should have worked with these references within the last five years. If three references cannot be provided, please explain the reason on the bottom of the form.

## Section E. Supporting Materials

The Department encourages applicants to describe and justify their project within Sections A through D of the application. However, the applicant may find it necessary to provide supplemental information, or the applicant may wish to include confidential information that will support the grant project. Supplemental and confidential material must be included in Section E. This section should be bound separately from the rest of the application, and six (6) copies must be provided.

The Department will only review the following types of information in Section E. Information or materials that do not fall within these categories will not be considered in the grant evaluation and scoring process and may, in fact, render a grant non-responsive. The Department has only a short time to review a potentially large number of grant applications, thus the Department may not score applications providing unnecessary or excessive information. This section should not be used to provide additional information on the qualifications of the applicant. Limit Section E supporting materials to the following:

- Technical information  
Useful technical information or published research papers that are necessary to support or explain the technical, economic, and market feasibility of the grant project.
- Confidential information  
Confidential information on research methods, processing, production, or other aspects of the grant project. Confidentiality procedures are described below and must be followed. After award, grant applications become public information. While the Department discourages the inclusion of confidential information in grant applications, if the applicant feels it necessary to provide such information, it must be clearly labeled on each page as confidential and must be included only in Section E.
- Confidentiality requirements
  - ❑ The Department realizes that applicants may find it necessary to deliver proprietary or other information to the Department in order to adequately explain a project, and applicants may not want that information to become a public record. The applicant may submit a request for confidentiality indicating that specified material submitted to the Assistant Director of Recycling be designated confidential and not publicly disclosed. If confidentiality is granted, the material will not be disclosed to the general public unless so ordered by a court of competent jurisdiction.
  - ❑ All confidential material must be contained on pages separate from non-confidential material and stamped "CONFIDENTIAL" on each page. Only confidential material may be included on stamped pages and no confidential material may be included on pages that contain non-confidential material. Cross-reference each confidential item and the area of the application to which it is related. In this section, state the length of time the information should be kept confidential and provide justification for the length of time.
  - ❑ Cite and discuss provisions of the Public Records Act (California Government Code 6250 et seq.), or other law, which allows the Department to keep the information confidential and the public interest is not harmed by non-disclosure of the information. If the applicant believes that the information should not be disclosed because it contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, the request shall also state the specific nature of the advantage and how it would be lost, including the value of the information to the requesting party and the ease or difficulty with which the information could be legitimately acquired or duplicated by others.
  - ❑ State whether, and how, the information is kept confidential by the applicant and whether it has ever been disclosed to a person other than an employee of the applicant, and if so, under what circumstances.
  - ❑ Include a certification executed by the person primarily responsible for preparing the application, "I certify under penalty of perjury that the information contained in this request for confidential designation is true, correct, and complete, to the best of my knowledge, and that I am authorized to make this request and certification on behalf of [name of entity]".
  - ❑ Specify whether the applicant wishes the information returned or retained by the Department upon a denial of confidential designation. Information returned to the applicant will not be considered or reviewed as part of the application. Information retained may be subject to disclosure as a public record.

## 5. Grant Evaluation and Scoring Criteria

There will be a two-stage grant evaluation process. The applicant must meet all requirements of the first administrative step in order to proceed to the remaining evaluation steps and the scoring of applications. Final

project scoring will be based on the combined scores for (1) Applicant Qualifications, (2) Project Qualifications, and (3) Project Budget to provide the Department a recommended priority for grant allocation. The ultimate number of grants awarded will depend on the number of applicants, size of grant requests, and the quality of the grant applications.

A committee of, at a minimum, Department staff will review and score the grant applications. The Department reserves the right to have other agencies represented on the evaluation committee. During the review process, the Department may also call upon external technical experts for assistance with evaluating applications.

The Department reserves the right to contact applicants for questions, or to hold interviews, prior to awarding grants. The Department may modify applications in the evaluation process. For example, funds and/or tasks proposed that are not fully justified may be reduced and/or eliminated. The score from the evaluation committee may include a revised recommended funding level for the grant application.

The five evaluation steps are as follows:

1. Minimum Administrative Requirements
2. Applicant Qualifications
3. Project Qualifications
4. Project Budget
5. Final Project Score.

The five evaluation steps are described on the following pages.

### 1. Minimum Administrative Requirements

This step is scored pass/fail. The administrative step corresponds with the applicant's responses to **Section A (Administrative Requirements)** of the grant application. Failure to address all of the items below will result in a failing score and the grant application will not be further considered:

- The completed grant application is received by the Department no later than Friday, February 13, 2004, at 5:00 PM.
- A signed cover letter, or separate resolution of support, from the organization's governing body or owners is provided. If the grant project includes matching funds, or in-kind services, the letter/resolution commits to providing those funds or services.
- The grant application is in the specified/required format and all necessary forms (Attachments A to G) are completed and signed (Attachments A and F require signatures).

- The grant application provides a copy of the organization's tax-exempt status (for non-profit organizations only).
- The grant application provides a copy of articles of incorporation, partnership agreement, or current fictitious business name statement and business license, as relevant (for private businesses only).
- The grant applicant must be in compliance with all conflict of interest laws as outlined in the Contractor Certification clauses available from the Department of General Services' webpage at <http://www.documents.dgs.ca.gov/ols/ccc-103.doc>

### 2. Applicant Qualifications

This evaluation step will be scored on a 100-point scale. Applications must achieve a score of at least 70 points on this evaluation step to be recommended to the Department Director for a grant award. The applicant qualifications score will be based on the applicant's responses to **Section B (Applicant Qualifications)** and the relevant Attachments of the grant application. There are three categories:

- Qualifications of the applicant  
(score of 50 points)
  - ❑ Organization background  
Includes a review of the longevity and structure of the applicant organization, basic organizational functions, and how well the grant project fits within the organization.
  - ❑ Organization experience  
Includes a review of the overall level of knowledge and experience of the organization, and the organization's knowledge and experience as it relates to the grant project.
  - ❑ Organization capacity  
Includes a review of whether the organization and personnel are fully committed to, and capable of, successfully executing the grant project.
  - ❑ Project personnel  
Includes a review of the qualifications and experience of key grant project personnel as related to their assigned roles on the grant project.
- Financial stability of the applicant  
(score of 30 points)
  - ❑ Includes a review of the organization's financial statements for the previous three years (calendar or fiscal). The Department will consider the size of the grant request in relationship to the necessary overall financial stability of the organization.

▪ References of the applicant  
(score of 20 points)

- ❑ Includes a review of references provided in Attachment G in order to assess the applicant's organizational capability and performance on similar, or related, projects.

**3. Project Qualifications**

This evaluation step will be scored on a 100-point scale. Applications must achieve a score of at least 70 points on this evaluation step to be recommended to the Department Director for a grant award. The project qualifications score will be based on the applicant's responses to **Section C (Project Qualifications)** and the relevant Attachments of the application. Again there are three categories:

▪ Need for the grant project  
(score of 35 points)

- ❑ Includes a review that the application clearly describes the reason for undertaking the project, the barriers and obstacles that must be addressed, and demonstrates an understanding of the baseline conditions that the project will improve.
- ❑ Includes a review that the applicant identified (1) who in the recycling industry supports the grant project and (2) if any third party entities are providing supporting funds to this grant project.
- ❑ Includes a review that project goals and measurable objectives are clearly described and are congruent with the overall objectives of the grant program.
- ❑ Includes a review that the applicant identifies the expected benefits of the project. Specifically, this includes a review of the Grant Project Estimated Impacts identified and explained in Attachment D. The scoring will integrate both the magnitude of the final numbers and the reasonableness of the assumptions the estimates are based on. Additionally, this includes a review of other expected benefits of the grant project, such as improvements in processing time; reductions in recycling costs; additional beverage container material volume used in the manufacture of a recycled content product; expected created payrolls, etc.
- ❑ Includes a review of whether the application acknowledges any (1) direct benefits to private entities, (2) increases in jobs or recycling out-of-state, or (3) benefits for non-CRV materials and if these items are identified and explained. Higher priority will be given to projects that improve CRV beverage container recycling and increase jobs in California.

- ❑ Includes a review of whether the grant project is unique and innovative in its approach to increasing beverage container recycling in California.

▪ Technical, economic, and market feasibility of the grant project  
(score of 35 points)

- ❑ Includes a review that the application provides a sound technical and economic analysis of the proposed grant project and its recycling impacts.
- ❑ Includes a review that, for research and development grant projects, the application (1) identifies the scientific basis for the project, (2) provides a review of current literature, (3) describes the relevant research methodology, and (4) discusses commercialization potential.
- ❑ Includes a review that, for market development grant projects, the application provides an analysis of the current and future markets for the relevant impacted material(s) and an assessment of the short-term and long-term impacts of the proposed project on those markets.
- ❑ Includes a review that, for manufacturing end-use grant projects, that the application identifies the technologies to be used and includes an assessment of potential markets for the product(s).
- ❑ Includes a review that the application clearly identifies how, and to what extent, the grant project will impact each step in the recycling stream (collection, processing, and manufacturing). A greater priority will be given to projects that impact processing and manufacturing (versus collection).
- ❑ Includes a review that the grant application demonstrates the sustainability of the grant project beyond the grant subsidy and the length of the grant project. Greater priority will be given to grant projects that result in on-going benefits beyond the life of the grant period.
- ❑ Includes a review that the application clearly identifies how the project will achieve the expected economic impacts of the grant project in terms of jobs created, business potential, price of recycled materials, and relevant production and processing costs.

▪ Grant project work plan  
(score of 30 points)

- ❑ Includes a review that the project is well planned and that the project work plan description succinctly defines tasks to be performed.

- ❑ Includes a review that the project executive summary (Attachment B, Grant Executive Summary) is clear, concise, and descriptive of the grant project.
- ❑ Includes a review that the application identifies grant performance measures and a progress reporting framework that includes estimates of the number of additional beverage containers recycled and new jobs created as a result of the grant project.
- ❑ Includes a review that the application identifies critical grant project accomplishments.
- ❑ Includes a review that the grant project implementation time schedule (Attachment E) is realistic and lists major milestones, with expected due dates, so that the Department can evaluate grant progress.

#### 4. Project Budget

This evaluation step will be scored on a 100-point scale. Applications must achieve a score of at least 70 points on this evaluation step to be recommended to the Department Director for a grant award. The project budget score will be based on the applicant's responses to Attachment C (Grant Project Budget) of the application. There are four categories:

- Budget format and expense categories  
(score of 20 points)
  - ❑ Includes a review that the grant budget is presented using the provided budget forms, or in a format consistent with those forms, and that itemized costs are provided for each relevant category.

- Identified and reasonable costs  
(score of 40 points)
  - ❑ Includes a review that all grant project costs are identified and reasonable and that significant budget line items are clearly justified. Higher priority will be given to those grant activities directly related to achieving grant operating objectives.
- Matching funds and in-kind services  
(score of 20 points)
  - ❑ Includes a review that the level of matching funds, and in-kind services, provided is consistent with the size and scope of the grant project.
- Amount of funding request  
(score of 20 points)
  - ❑ Includes a review that the size of the grant funding request is reasonable in relationship to the overall capability of the applicant and the expected benefits to the California beverage container recycling program and the State of California.

#### 5. Final Project Score

The final grant project score will be based on the combined scores for (1) Applicant Qualifications, (2) Project Qualifications, and (3) Project Budget. Final grant award selections will be made by the Director of the Department of Conservation from among the qualified applicants and may not be reflective of the relative scores of the applicants. An example of the scoring for three applicants is shown below.

#### Example Scoring

<i>Applicant</i>	<i>Applicant Qualifications Score</i>	<i>Project Qualifications Score</i>	<i>Project Budget Score</i>	<i>Final Project Score</i>
A	90	85	90	265
B	85	95	90	270
C	65	80	80	225

*In this example, the order of project award recommendations to the Director would be: (1) Applicant B, and (2) Applicant A. The project of Applicant C would not be recommended to the Director for funding because it scored less than 70 points for Applicant Qualifications.*

## 6. Grant Agreement and Administration

Grants awarded by the Department are administered through a grant agreement. Grant agreements consist of standard language, a grant summary, budget, and an implementation time schedule with measurable milestones. The Department discourages any changes to the grant agreement standard language; only the most critical of circumstances will be considered adequate to justify modifications to this agreement. A sample grant agreement is available at [www.conservation.ca.gov](http://www.conservation.ca.gov).

All expenses incurred by the grantee will be reimbursed no more often than monthly in arrears, based on actual costs, original receipts, and strict compliance with the application incorporated by reference into the grant agreement. Advance payments of grant funds are not allowed. Expenses incurred prior to the effective date of the grant agreement, or after the closing date of the grant agreement, are not reimbursable.

The Department will retain ten (10) percent of each grant progress payment until all tasks proposed in the grant agreement are completed. Final payment of the withheld funds will be made only after approval of a final grant report.

As a condition of receiving grant funds, grantees must comply with grant agreement requirements. Grantees are required to submit monthly status reports describing recycling volume impacts, recycled material used in manufacturing, job creation impacts, and performance measures proposed in the grant proposal, along with their monthly invoices.

## 7. Submission of Grant Application

Grant application packages can be mailed, or hand-delivered, to the following address:

California Department of Conservation  
Division of Recycling, Market Research Branch  
Market Expansion Section  
801 K Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

Attention: Market Development & Expansion  
Grant Program Application

Telephone (916) 323-5878  
TDD (916) 324-2555

Grant applications will not be accepted if submitted via fax or e-mail. Grant applications received by the Department after 5:00 PM (Pacific Time), on Friday, February 13, 2004, will not be accepted.

One (1) original grant program application (has original signatures) and six (6) copies must be provided to the Department. Though not required (or scored), an enclosed electronic copy of the application would be helpful to the Department.

Below is the tentative time schedule for the 2003/2004 market development and expansion grant program:

- **January 16, 2004**  
Release of grant solicitation, and posting on DOC web site
- **February 13, 2004**  
Submission deadline for grant applications
- **April 19, 2004**  
Notification of grant awards
- **June 1, 2004**  
Execution of grant agreements.

## 8. Grant Application Checklist

Use this checklist to help confirm that all the required information is included in the application package prior to submittal to the Department. This checklist is only an aid to the applicant as the applicant is solely responsible to ensure that all requirements stated throughout this entire grant program application document are fulfilled.

- One (1) original, and six (6) copies of the application
- Application printed on recycled content paper, double-sided, no smaller than 10-point font size, prepared in the least expensive method.
- **Section A. Administrative Requirements**
  - ❑ Cover letter (signed by the person authorized to bind the organization to a grant agreement).
  - ❑ Resolution of support (for government agencies and non-profit organizations).
  - ❑ Copy of tax-exempt status (for non-profit organizations).
  - ❑ Copy of appropriate proof of business status (for private businesses).
- **Section B. Applicant Qualifications**
  - ❑ Qualifications of applicant subsection does not exceed eight (8) pages in length (excluding resumes or statements of qualifications).
  - ❑ Financial statements for three (3) previous years or demonstration of financial capacity.

- **Section C. Project Qualifications** does not exceed fifteen (15) pages and includes the following three sections:
  - ❑ Project need.
  - ❑ Technical, economic, and market feasibility of the project.
  - ❑ Project work plan.
- **Section D. Attachments** are completed, additional explanation pages follow each attachment, as necessary (additional pages may be required for Attachments A and C):
  - ❑ Attachment A, Grant Applicant/Project Summary (signed by the person authorized to bind the organization to a grant agreement).
  - ❑ Attachment B, Grant Executive Summary.
  - ❑ Attachment C, Grant Project Budget.
  - ❑ Attachment D, Grant Project Estimated Impacts.
  - ❑ Attachment E, Grant Project Schedule.
  - ❑ Attachment F, Grant Permits and Regulatory Approvals (signed by the person authorized to bind the organization to a grant agreement).
  - ❑ Attachment G, Grant Applicant References.
- Optional: **Section E. Supplemental Materials**, if included:
  - ❑ Technical information is limited to that which is absolutely necessary to support the application.
  - ❑ Confidential information is clearly labeled and all confidentiality procedures outlined in the application package (Section 4. Grant Application Requirements) have been followed.
  - ❑ Section E is to be bound separately from Sections A through D of the application.

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## 2003/2004 Grant Applicant/Project Summary

Contact Name	Telephone Number (     )	Fax Number (     )
Title	E-mail Address @	
Organization Name	Web Page Address	
Mailing Address	City	State      Zip Code
Business Address	City	State      Zip Code
Assembly District Number(s):	Senate District Number(s):	
Amount of Grant Request \$	Grant Period (Dates) <i>From:</i> <i>To:</i>	Total Number of Months (6 to 36 mos.)
Provide a one-paragraph descriptive summary of the grant project:     		
<b>Type of Grant Project</b> <i>(check all that apply)</i> <input type="checkbox"/> Research & Development <input type="radio"/> Collection and Processing <input type="radio"/> Recycled Content Product Manufacturing <input type="checkbox"/> Market Development or Expansion <input type="checkbox"/> Recycling of Plastic Containers, Resins # 3 to # 7 <input type="checkbox"/> Other _____	<b>Type of Organization</b> <i>(check one)</i> <input type="checkbox"/> Private Business <input type="checkbox"/> Non-Profit <input type="checkbox"/> Government Agency <input type="checkbox"/> University <input type="checkbox"/> Tribe <input type="checkbox"/> Other _____	
<b>Materials to be Addressed</b> <i>(check all that apply)</i> <input type="checkbox"/> Aluminum <input type="checkbox"/> Glass <input type="checkbox"/> Bi-Metal <input type="checkbox"/> PET # 1 <input type="checkbox"/> HDPE # 2 <input type="checkbox"/> PVC # 3 <input type="checkbox"/> LDPE # 4 <input type="checkbox"/> PP # 5 <input type="checkbox"/> PS # 6 <input type="checkbox"/> Other # 7		
<b>Financial/Legal History</b>  <div><input checked="" type="checkbox"/> Has the applicant, or any grant principal, ever had a Department certificate denied, suspended, revoked, or otherwise been disciplined by the Department?                      <input type="checkbox"/> Yes      <input type="checkbox"/> No</div> <div><input checked="" type="checkbox"/> Has the applicant, or any grant principal, experienced foreclosure, repossession, bankruptcy, civil judgment, or criminal penalty (or been party to a consent decree) as a result of any violation of federal, state, or local law?                      <input type="checkbox"/> Yes      <input type="checkbox"/> No</div> <div><input checked="" type="checkbox"/> Has the applicant, or any grant principal, been the subject of any proceedings that are pending, or to the best of their knowledge, threatened against them, which may result in any adverse change in applicant financial condition, or materially adversely affect applicant operations?                      <input type="checkbox"/> Yes      <input type="checkbox"/> No</div> <p style="text-align: center;"><i>If any of the above are answered "Yes," please provide additional explanation on separate sheets of paper.</i></p>		
<b>Grant History</b>  <div><input checked="" type="checkbox"/> Has the applicant, or any grant principal, been previously awarded a Department grant?                      <input type="checkbox"/> Yes      <input type="checkbox"/> No</div> <div><input checked="" type="checkbox"/> Has the applicant, or any grant principal, been previously awarded a government grant for projects related to this proposed project?                      <input type="checkbox"/> Yes      <input type="checkbox"/> No</div> <p style="text-align: center;"><i>If any of the above are answered "Yes," please provide additional explanation on separate sheets of paper (i.e., Grantor, Year, Amount, and Outcome).</i></p>		

**Person Authorized to bind organization in grant agreement**

Name ( <i>Print</i> )	Title
Signature ( <b><i>required</i></b> )	Date

**2003/2004 Grant Executive Summary**

Organization Name

Contact Name

Provide a one-page (*not smaller than 10 pt. font*) executive summary of the grant project.

## 2003/2004 Grant Project Budget

Organization Name

Contact Name

	First 12 Months of Grant		Second 12 Months of Grant		Third 12 Months of Grant		Total	
BUDGET CATEGORY	Grant Funds	Match Funds	Grant Funds	Match Funds	Grant Funds	Match Funds	Total Grant Funds	Total Match Funds
1. Salary and benefits by staff person								
-								
-								
-								
-								
-								
-								
-								
Subtotal								
2. Equipment by category								
-								
-								
-								
-								
Subtotal								
3. Buildings and facilities <i>(explain)</i>								
4. Supplies								
5. Rent and utilities								
6. Travel								
7. Contractual services <i>(explain)</i>								
8. Other operating costs <i>(explain)</i>								
9. Other non-operating costs <i>(explain)</i>								
10. TOTAL								

## 2003/2004 Grant Project Estimated Impacts

Organization Name		Contact Name
A. Total grant funding request:  \$ _____	B. Estimated <u>annual</u> number of additional beverage containers recycled as a result of this project: _____	C. Estimated <u>annual</u> number of new California jobs created as a result of this project: _____
D. Recycling impact = $\frac{\text{"A"}}{\text{"B"}}$ = _____ = _____ \$/container		
E. Jobs impact = $\frac{\text{"A"}}{\text{"C"}}$ = _____ = _____ \$/job		
F. First year of expected recycling/job impacts: Recycling: _____ Jobs: _____		G. Number of years of expected recycling/job impacts: Recycling: _____ (example: 1 year, 2 years, ongoing) Jobs: _____
H. Explanation of recycling and job impacts: (use the rest of this page to provide an explanation of the assumptions and projections used to determine the estimated impacts)		

## 2003/2004 Grant Project Schedule

Organization Name	Contact Name
-------------------	--------------

[illegible]

## 2003/2004 Grant Permits and Regulatory Approvals

Organization Name	Contact Name
-------------------	--------------

Permit or Regulatory Approval	Date Received	Issuing Authority	Date Expected
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

*The individual authorized to bind the organization to a grant agreement must sign A or B below.*

**A. If project will require permits or regulatory approval:**

To the best of my knowledge, the above information is accurate.

Signature	Date
-----------	------

**B. If project will not require permits or regulatory approval:**

To the best of my knowledge, this project will not require any permits or regulatory approvals.

Signature	Date
-----------	------

*ATTACHMENT G*

**2003/2004 Grant Applicant References**

Organization Name	Contact Name
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## REFERENCE 1

Name of Entity			
Street Address	City	State	Zip Code
Contact Person	Telephone Number (      )		
Dates of Relationship – <i>From:</i>	<i>To:</i>	E-Mail	@
Brief Description of Relationship			

## REFERENCE 2

Name of Entity			
Street Address	City	State	Zip Code
Contact Person	Telephone Number (      )		
Dates of Relationship – <i>From:</i>	<i>To:</i>	E-Mail	@
Brief Description of Relationship			

### REFERENCE 3

Name of Entity			
Street Address		City	State      Zip Code
Contact Person		Telephone Number (      )	
Dates of Relationship — <i>From:</i>		<i>To:</i>	E-Mail      @
Brief Description of Relationship			